

12 Nov. 1957

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~~CONFIDENTIAL~~

NO CHANGE IN CLASS. (1)

DECLASSIFIED

CLASS. CHANGED TO IS S PROBLEMS IN PREPARING PROPOSED RETIREMENT LEGISLATION

NEXT REVIEW DATE:

AUTH: HR 70-2

DATE: REVIEWER:

[REDACTED]

1. [REDACTED] tells Mr. Saunders that Machine Records Division can provide a

25X1A9A list of all overseas persons who have had service since July 1953. Saunders

25X1A9A suggests I work directly with [REDACTED] with respect to the data he might provide.

2. Chief, Finance Division tells Saunders that he can only provide as of 3 Nov (latest payroll) the names of those persons who are presently overseas. 25X1

3. In our 1958 budget there is an item of [REDACTED] for the Government's contribution to the CSC Retirement Fund for persons in the Agency covered by retirement. This is the first year in which this item has been included.

It is based on the requirement passed by Congress recently that each Agency should provide for the Government's contribution to the retirement fund rather than have the CSC apply to Congress for an overall amount each year. The question of adjusting the employee's and the Government's contribution to the retirement fund is still the responsibility of the CSC. Should the retirement fund become too large or too small the CSC would ask Congress to change to statutory rates of contribution.

4. Technical Accounting Staff (TAS) would be the unit which would be responsible for any changed procedure with respect to records of overseas service.

25X1A9A Saunders and [REDACTED] agreed that procedure should be ready for implementation beginning 1 July 1958 without fail. This procedure will then automatically record time spent overseas and could probably best be achieved in connection with the auditing of travel vouchers transferring persons from headquarters to overseas duty. The reconstruction of overseas travel from 18 September 1947 to 30 June 1958 will have to be done in part through machine records and in part manually through file searches. Eventually the total overseas service

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recorded, namely, on a basis verified by the Government of years, months and days actually spent overseas together with duty station.

25X1A9A5. [ ] agreed that there would be no point in presenting a compromise proposal since we are bound to encounter opposition on any proposition, therefore it would be better to lay the problem on the line without attempting to anticipate opposition and "play it straight."

25X1A9A6. [ ] agreed that it probably would be necessary to have some "dramatic" element that the Director could tie this proposal to.

In other words a specific and compelling reason for the proposal would appear to be necessary.

25X1A9A

25X1A9A7. Mr. [ ] suggested and [ ] tentatively agreed that ~~Spanish~~ Sputnik ~~and~~ guided missiles <sup>but</sup> military reappraisal as to this medium might create a favorable atmosphere for the CIA to try to create a strong intelligence service through the medium of retirement legislation. As [ ] has 25X1A9A already represented to the BOB in time of peace CIA is for all practical purposes at war with the unseen enemy, Therefore when the BOB says

"since other agencies have to cut down CIA has to also the Bureau is

[ ] basing its argument on a fundamental

25X1A9A fallacy and [ ]'s reply has been, if you restore the budget cuts to the other agencies CIA will be willing to take a cut since if they have been doing their job we don't need additional funds but it is fallacious to argue that just because some other agencies has to take a budget cut so should CIA under these circumstances take an equal share of the budget restriction.

25X1A9A8. Both Saunders and [ ] believe that the time available does not permit us to do any very basic research in this problem. It is [ ] opinion 25X1A9A that a bill must be ready to go to the BOB by 1 December. This would

mean discussion by the Career Council and presentation to the Director.

25X1A9A prior to that time. [ ] also believes that [ ] should

25X1A9A

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25X1A9A go to each member of the Council before the Council meets on this proposal after [ ] have made a presentation to the D/Pers and the

DD/S. This presentation ~~she~~ would consist of a one page proposal only

25X1A9A and the same proposal might serve for [ ] discussion with the other members of the Council. It is possible that some experience of the State Department in the handling of the Foreign Service Retirement Fund might be drawn upon but it should be noted that heretofore we have never made connection with the Department for the service. It that is to be done it should be done immediately.

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